DEPARTMENT OF STATE A/CDC/MR
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EXCISE

HASSAN JEANNE M
80 KINGSTON 2370

06/20/81 112845 PRINTER: LI

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NODIS REVIEW
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Date: 17 Nov 88

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FM AMEMBASSY KINGSTON
TO SECSTATE WASHDC NIACT IMMEDIATE 2032
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY CARACAS
AMEMBASSY GEORGETOWN
AMEMBASSY OPRT OF SPAIN
C O N F I D E N T I A L SECTION 1 OF 2 KINGSTON 2370
EXDIS
E.O. 12065: GDS, 8/30/86 (HAVERKAMP, ROY T.) OR-M
TAGS: PINT, EFIN, JM, PINS
SUBJECT: AN INSIGHT INTO RECENT EVENTS AND THINGS TO COME
1. C - ENTIRE TEXT.
2. SUMMARY: TWO CONVERSATIONS I HAD ON MARCH 28 GIVE A GOOD IDEA OF HOW THE IMMEDIATE FUTURE IS SHAPING UP IN WHE WAKE OF THE GOVERNMENT'S DECISION TO GET ALONG WITHOUT FURTHER IMF LOANS IN ADDITION TO REVEALING SOME OF THE DEEPER UNDERCURRENT OF JAMAICAN POLITICAL LIFE. THE FIRST CONVERSATION [redacted] DEALTH (b)(1) ED
MOSTLY WITH THE SIGNIFICANCE OF THE DECISION. WHAT IT MEANS FOR THE COUNTRY UNDER THE RULING PEOPLE'S NATIONAL PARTY (PNP). [redacted] (A) EVEN IF THE DECISION AGAINST IMF NEGOTIATIONS HAD NOT BEEN IMPOSED ON THE PARTY AND THE CABINET BY THE NATIONAL EXECUTIVE COUNCIL (NEC) OF THE PARTY, MANLEY WOULD HAVE RUN THE ELECTION COMPAIGN ON AN ANTI-IMF PLANK; (B) THE PARTY HAS NOW BEEN RADICALIZED AND IS NO LONGER SPLIT BETWEEN RADICALS AND MODERATES ALTHOUGH THERE ARE STILL MODERATES IN THE PARTY AND THE CABINET. THE SECOND CONVERSATION [redacted] b (1) ED
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[redacted] DEALTH
MAINLY WITH THE ELECTIONS. [redacted] WANTS AN ELECTION 6 (1) ED
IN JULY AND FOR SURPRISINGLY SIMILAR REASONS. END SMMARY.
3. I ARRANGED TO MEET WITH [redacted] ON MARCH 28, TO DISCUSS RECENT EVENTS IN JAMAICA. [redacted] b (1) ED
THAT WE MEET SOMEPLACE OTHER THAN THE CHANCERY AN WE FINALLY SETTLED ON THE TOWN HOUSE OF AN EMBASSY STAFF MEMBER.
4. MANLEY. [redacted] THE DECISION AGAINST FURTHER NEGOTIATIONS (b)(1) ED
FOR MORE IMF MONEY WAS IMPOSED ON THE PRIME MINISTER AGAINST HIS OWN BETTER JUDGMENT BY THE NEC. AS LATE AS THE MORNING OF THE MARCH 22 NEC MEETING MANLEY APPARENTLY THOUGHT HE COULD REVERSE THE DOMINENT MOOD IN THE NEC. THERE IS NO DOUBT THAT MANLEY NOW SUPPORTS THE DECISION AGAINST THE IMF, NOR WAS THERE ANY DOUBT [redacted] THAT EVEN IF THE NEC DECISION HAD GONE THE b(1) ED
OTHER WAY, BY THE TIME OF THE ELECTION MANLEY WOULD HAVE CAMPAIGNED

ON AN ANTIC-IMF TICKET. THAT IS TO SAY HE WOULD HAVE TAKEN THEIR MONEY FOR HIS IMMEDIATE URGENT NEEDS AND THEN TURNED ON THEM. [redacted] MORE THAN ANYTING MANLEY WANTS TO GO DOWN IN HISTORY AS A RADICAL DEMOCRATIC LEADER (AT ONE POINT HE DID GET CYNICAL ABOUT THE DEMOCRATIC PART) WHO BROUGHT ABOUT BASIC LONG TERM ADJUSTMENTS IN JAMAICAN POLITICAL, ECONOMIC, AND SOCIAL LIFE. AS OF NOW MANLEY IS NOT IN CONTROL OF THE PARTY OR THE GOVERNMENT AND DOES NOT KNOW IF HE CAN REGAIN CONTROL. THE RADICALS ARE LLOING TO D.K. DUNCAN FOR THEIR CUE. THIS IS NOT TO SAY [redacted] THAT MANLEY HAS NO ROOM TO MANEUVER. HE THAN CITED MANLEY'S RESPONSE TO SEAGA'S CALL FOR ELECTIONS IN JULY OR AUGUST (SEPTEL) AS MADE WITHOUT REFERENCE TO THE NEC OR THE RADICALS,(

5. THE NEW FINANCE MINISTER HUGH SMALL AND JAMAICA'S POLITICAL BALANCE. TO MY SURPRISE AT FIRST, [redacted]

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[redacted] HE CHARACTERIZED SMALL AS AN INDEPENDENT, NOT AN "ADVENTURIST". WE SHALL HAVE TO WAIT AND LEARN HOW HE WILL GET ON WITH THE INTERNATIONAL BANKERS [redacted] WITH THE EMERGENCE OF THE FAR LEFT AS THE DOMINENT ELEMENT IN THE CABINET [redacted] COORDINATION OF DOMESTIC AND FOREIGN POLICY HAD BEEN ACHIEVED ON THE BASIS OF A RADICAL COMMON DENOMINATOR. (SEE KINGSTON 8569 WHICH REPORTS A CONVERSATION IN NOVEMBER, 1979, DURING WHICH [redacted] SUCH COORDINATION WAS ESSENTIAL PRIOR TO THE NEXT ELECTION). WITH TO MY MIND A HINT OF DISAPPOINTMENT, [redacted] THIS WAS GOOD EVEN THOUGH CONTRARY TO HIS OWN PREFERENCES.

6. THE ALTERNATIVE TO THE IMF AND THE CONOMIC INTELLIGENCE UNIT (EIU). [redacted] AVOID MAKING A JUDGMENT ON THE VIABILITY OR INDEED THE EXISTENCE OF AN ALTERNATIVE TO THE IMF BUT AFTER A BIT OF PRODDING HE ACKNOWLEGED THERE MAY NOT BE A VIALBE PLAN. HIS ASSESSMENT OF THE PROPOSED EIU (KINGSTON 2202 AND SUBSEQUENT) WAS THT WE SHALL HAVE TO WAIT AND SEE HOW IT TURNS OUT. IN PROPOSING IT, D. K. DUNCAN WAS PLAYING TO A POLITICAL MOOD. IT WAS OBVIOUS [redacted] IS AWARE OF AND CONCERNED ABOUT THE INHERENT DANGERS OF THIS PROPOSAL BUT RATHER HOPES THAT ADVERSE REACTION FROM VARIOUS SECTORS WILL CAUSE DUNCAN TO DROP IT OR MODIFY IT.
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AMEMBASSY PORT OF SPAIN
C O N F I D E N T I A L SECTION 2 OF 2 KINGSTON 2370
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7. ELECTIONS. [redacted] IT IS IN EVERYONE'S b(1)ED
INTEREST TO HAVE AN ELECTION IN JULY OR AUGUST. SEAGA, HE SAID, ADOPTED A RESONABLE ATTITUDE IN DROPPING HIS EARLIER DEMAND FOR ID CARDS WITH PHOTOGRAPHS AND CALLING FOR ELECTIONS AT THAT TIME. [redacted] BBOTH HE ANDMANLY KNOW SEAGA HAS A LARGE ENOUGH LEAD IN b(1)ED
PERCENTAGE POINTS OF THE POPULAR SUPPORT [redacted] 65 - 70 PER CENT) TO ACT IN A GENEROUS MANNER. WHAT SEAGA SHOULD DO NOW IS TO GET THE UNIONS, PARTICULARLY THE JLP'S TRADITIONAL SUPPORTERS, THE BUSTAMANTE INDUSTRIAL TRADE UNION (BITU), TO SEE THAT IT IS IN THEIR INTERST TO SUPPORT ELECTIONS IN JULY OR AUGUST AND TO RE-FRAIN FROM MAKING OUTRAGEOUS DEMANDS THEN THE PRIVATE SECTOR ORGANIZATION OF JAMAICA (PSOJ), THE MAIN EMPLOYER'S GROUP, WILL HAVE TO GET THEIR MEMBERS TO KEEP AS MANY AS POSSIBLE OF THEIR WORKERS ON THE PAYROLL UNTIL AFTER THE ELECTIONS WHEN FOREIGN INVESTMENT MONEY WILL HOPEFULLY START TO FLOW AGAIN. OTHERWISE, THE PNP WILL BE MADE SCAPEGOATS AND THINGS COULD GET DICEY. SHORTAGES OF RAW MATERIALS AND SPARE PARTS WHICH ARE BAD NOW, WILL BE ACUTE BY JUNE/JULY. JULY WILL BE CRITICAL AS THE EMPLOYERS COULD NOT BE EXPECTED TO HOLD OFF BEYOND THEN.
8. ELECTIONS CON'T. SO FAR SEAGA HAS PLAYED HIS CARDS RIGHT [redacted] b(1)ED
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[redacted]. IF THE UNIONS CAN BE PERSUADED TO BACK THE CALL
FOR ELECTIONS IN JULY OR AUGUST THE POWERFUL CHURCH GROUPS b(1)ED
[redacted] THEIR SUPPORT WON THE ELECTIONS FOR THE PNP IN 9172)
SHOULD JOIN IN. FINALLY, SUPPORT MUST COME ALSO FROM MASS ORGANI-ZATIONS WITH A RURAL BASE. THEN MANLEY CAN EASILY CALL THE ELEC-TION, ACTING IN RESPONSE TO THE "WILL OF THE PEOPLE". [redacted]
, IN THESE CIRCUMSTANCES MANLEY WOULD ACCEPT LOSING OFFICE
IN A FAIR ELECTION. HE (MANLEY) SEES AN ELECTION AS A WAY OF
DEALING WITH THE PRESENT DISTURBING SITUATION, AS AN EVENT THAT b(1)ED
WOULD GIVE HIM MAXIMUM LEVERAGE ON THE FAR LEFT HE CAN NO LONGER CONTROL, A WAY TO RELIEVE THE GREAT PRESSURE AND HARASSMENT TO WHICH HE IS NOW SUBJECTED ZGREATER THAN I'VE EVER SEEN ON HIM", b(1)ED
[redacted].
9. THE RADICALS' OBJECTIVES. HUGH SMALL, D. K. DUNCAN AND THEJR
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RADICAL FOLLOWERS WANT TO BREAK WITH WHAT THEY CALL THE WESTERN CAPITALIST SYSTEM OF WHICH THE IMF IS AN INTEGRAL PART. THEY WANT TO STRENGTHEN TIES WITH THE EAST EUROPEAN COMMUNISTS. THEY ARE SO STRONGLY WEDDED TO THESE GOALS THAT THEY ARE QUITE PRPARED TO PAY THE PRICE OF LOWERED LIVING STANDARDS FOR THE PEOPLE OF JAMAICA TO REACH THEM. THE BREAK WITH THE IMF LAON FACILITY WAS BUT THE BEGINNING.

10. [redacted] THE ELECTIONS. [redacted] b(1) ED

[redacted] I HAD AN OPPORTUNITY FOR A BRIEF PRIVATE CHAT [redacted] b(1) ED

[redacted] WHEN WE WERE BOTH GUESTS AT THE SAME DINNER. I TOLD [redacted] b(1) ED

[redacted] HE SEES ELECTIONS AS AN HONORA LE WAY FOR MANLEY TO GET HIMSELF AND THE COUNTRY OUT OF THE CLUTCHES OF THE FAR LEFT. ELECTIONS WOULD BE A WAY FOR MANLEY

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TU UPSTAGE HIS FAR LEFT. [redacted] EXPRESSED GRAVE CONCERN OVER THE POSSIBILITY OF [redacted] WHICH COULDHELP THE MANLEY GOVERNMENT TO SURVIVE FOR AOTHER YEAR WITHOUT ELECTIONS AND ALLOW THEM TO RUN THE ECONOMY DOWN EVEN FURTHER. HE SAID HE HAS BEEN UNABLE TO FIND OUT [redacted] TO DO IN THE WAKE OF THE ANTI-IMF DECISION. IT WAS CLEAR TO ME FROM MY CONVERSATIONS [redacted] THAT THE [redacted] IS EITHER UNDER INSTRUCTIONS TO KEEP BOTH SIDES GUESSING OR TRYING NOT TO OFFEND ANYONE BY BEING DELIBERATELY VAGUE. [redacted] THE LATEST CARL STONE POLL ON THE ELECTIONS (TO BE PUBLISHED EARLY IN APRIL) WHICH GIVES [redacted] IN URBAN CENTERS.

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11. COMMENTS AND RECOMMENDATIONS FOLLOW IN A SEPARATE TELEGRAM.

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